

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

**IN THE MATTER OF: RANDALL J. SEVCIK and  
ELITE GROUP FINANCIAL, LLC, their partners, officers,  
and directors, members, employees, affiliates, successors,  
agents, and assigns.**

**File No. C1400460**

**TO RESPONDENTS:** Randall J. Sevcik  
4738 Wellington Drive  
Long Grove, Illinois 60047

And

Elite Group Financial, LLC  
1821 Walden Office Square  
Fifth Floor  
Schaumburg, Illinois 60173

**ORDER OF PROHIBITION AND FINE**

On April 15, 2015, George P. Berbas, Hearing Officer for the Illinois Secretary of State, Department of Securities (the Department) held a Hearing pursuant to Section 11.F of the Securities Law of 1953 [815 ILCS 5] (the Act) and 14 Ill. Adm. Code 130 Subpart K (the Code), to determine whether an order shall be entered prohibiting Respondent Randall J. Sevcik and Elite Group Financial, LLC. And their partners, officers, directors, members, employees, affiliates, successors, agents, and assigns, from offering or selling securities in or from the State of Illinois and/or granting such other relief as may be authorized under the Act, including but not limited to, the imposition of a monetary fine in the maximum amount pursuant to Sec. 11.E(4) of the Act.

**I. NOTICE OF HEARING**

On or about January 9, 2015 the Department issued a Notice of Hearing in this matter, ~~scheduling a hearing for March 11, 2015, at 10:00 a.m., at 69 West Washington Street, Suite 1220, Chicago, Illinois.~~ The Department properly served the the Respondents. The Notice of Hearing included a statement of the time, place, and nature of the hearing, along with the other

information required pursuant to Section 1102 of the Code. The hearing date was continued pursuant to an agreement of the parties, or by order of a Hearing Officer.

The Notice of Hearing alleges:

1. That Respondent Randall J. Sevcik (hereinafter at times "Sevcik or collectively with Elite Group Financial, LLC. "Respondents"), has a last known address of 2730 Wellington Drive, Long Grove, Illinois 60047.
2. That Respondent Elite Group Financial, LLC (hereinafter at times "Elite or collectively with Sevcik "Respondents"), is an Illinois limited liability company, and at all relevant times referred to herein, was doing business at 1821 Walden Office Square, Fifth Floor, Schaumburg, Illinois 60173.
3. That Respondent Sevcik is a controlling member of Elite, and conducts his business of providing investment advice through Elite.
4. That in September 2014 Respondents mailed, or caused to be mailed, at least one postcard to an Illinois resident ("Attendee") inviting her to a "complimentary dinner" on either October 21st or 23rd at a Chicago restaurant, and to attend a "lifetime income and retirement planning workshop..." during the course of the dinner.
5. That Attendee went to the dinner and workshop on October 23, 2014, which was attended by at least 20 other individuals who also ate dinner and were also subjected to the "lifetime income and retirement planning workshop".
6. That during the course of the dinner and workshop Respondent Sevcik, and his associate Steven Delott (an advisor currently prohibited by the Illinois Securities Department from providing securities investment advice) made various financial suggestions to attendees, including advice that they sell a portion of their "risky" securities and purchase safer investments, including fixed annuities.
7. That Attendee made a lunch appointment with Sevcik and Delott in order to hear more of their advice and met again with Sevcik on December 8, 2014.
8. That at the lunch engagement Respondent Sevcik repeated his advice to Attendee that she sell a portion of her "risky" securities in order to place the majority of her investment capital into safer investments, such as certificates of deposit and fixed annuities.
9. That the activities described in paragraphs 4-8 above constitute the business of giving investment advice to others, and being an "investment adviser", as that term is defined in Sec 2.11 of the Illinois Securities Law of 1953 [815 ILCS 5] (the Act).

10. That Section 8 of the Act provides *inter alia*, that all investment advisers, except those exempt, shall be registered prior to acting and giving investment advice in the State of Illinois.
11. That Respondents failed to file with the Secretary of State an application for registration as investment advisors as required by the Act and that as a result the Respondents were not registered pursuant to section 8 prior to giving investment advice in the State of Illinois.
12. That Section 12.C of the Act provides, *inter alia*, that it shall be a violation for any person to act as an investment advisor except in accordance with the provisions of the Act.
13. That Section 12. D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.

## II. THE HEARING

The Hearing was conducted on April 15, 2015. The Hearing was transcribed by a certified Court Reporter. Accordingly, a full transcript of the proceedings is on file, and this Report and Recommendation contains only, and is intended only to be, a summary. The transcript is incorporated herein as Exhibit 1 to this Report and Recommendation. Additionally, the Hearing Officer ruled on objections and issues that arose during the course of the hearing, the details of which are contained in the transcript of the proceedings.

Enforcement Attorney James J. Tierney appeared at the Hearing on behalf of the Department. Respondent Randall J. Sevcik appeared pro se and appeared on behalf of Elite Group Financial, LLC.

The witnesses that testified at the hearing are listed below, along with a list of Exhibits entered into evidence. The Department retained the original exhibits. No summary of their testimony is provided, as a full transcript of the proceeding is available. The Hearing Officer found all the witnesses credible, and the Hearing Officer did not base any finding on the incredibility of a witness.

### Witnesses (in order of Appearance):

1. Nina Griffith: Ms. Griffith is an enforcement examiner/auditor with the Illinois Department of Securities.
2. Randall Sevcik, Respondent.

**Exhibits:**

- Exhibit 1: Notice of Hearing
- Exhibit 2: Respondents Answer to Notice of Hearing
- Exhibit 3, 4: Secretary of State Certificates of No Registration for Respondents
- Exhibit 5: Mailing/Invitation to complimentary dinner.
- Exhibit 6: Menu at Dinner
- Exhibit 7: Business cards of Respondents Sevcik and DeLott and handout
- Exhibit 8: Illustration of Pyramid Demonstration
- Exhibit 9: E-trade financial statement
- Exhibit 10: Respondents E-mail to Ms. Griffith, December 10, 2014.
- Exhibit 11: Respondents E-mail to Ms. Griffith, December 16, 2014.

The above Exhibits were offered and admitted into evidence at the hearing. Further details contained in the transcript of the proceeding.

**III. PROPOSED FINDINGS OF FACT**

1. That Respondent Randall J. Sevcik (hereinafter at times "Sevcik or collectively with Elite Group Financial, LLC. "Respondents"), has a last known address of 2730 Wellington Drive, Long Grove, Illinois 60047.
2. That Respondent Elite Group Financial, LLC (hereinafter at times "Elite or collectively with Sevcik "Respondents"), is an *Illinois limited liability company*, and at all relevant times referred to herein, was doing business at 1821 Walden Office Square, Fifth Floor, Schaumburg, Illinois 60173.
3. That Respondent Sevcik is a controlling member of Elite, and conducts his business of providing investment advice through Elite.
4. That in September 2014 Respondents mailed, or caused to be mailed, at least one postcard to an Illinois resident ("Attendee") inviting her to a "complimentary dinner" on either October 21st or 23rd at a Chicago restaurant, and to attend a "lifetime income and retirement planning workshop..." during the course of the dinner.

5. That Ms. Griffith went to the dinner and workshop on October 23, 2014, which was attended by at least 20 other individuals who also ate dinner and were also subjected to the "lifetime income and retirement planning workshop".
6. That during the course of the dinner and workshop Respondent Sevcik, and his associate Steven Delott, made various financial suggestions to Ms. Griffith and others in attendance, including advice that they sell a portion of their "risky" securities and purchase safer investments, including fixed annuities.
7. That Ms. Griffith made a lunch appointment with Sevcik and Delott in order to hear more of their advice and met again with Sevcik on December 8, 2014.
8. That at the lunch engagement Respondent Sevcik repeated his advice to Ms. Griffith that she sell a portion of her "risky" securities in order to place the majority of her investment capital into safer investments, such as certificates of deposit and fixed annuities.
9. That at this time Respondent Sevcik was not registered as a salesperson, investment adviser, or investment adviser representative, with the Illinois Secretary of State.
10. Respondent, Elite Group Financial, LLC, was not registered as a salesperson, investment adviser, or investment adviser representative in the State of Illinois.

#### **IV. PROPOSED CONCLUSIONS OF LAW**

1. The Department properly served the Notice of Hearing on Respondents.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5].
4. That the activities described above, and in the Proposed Findings of Fact constitute the business of giving investment advice to others, and being an "investment adviser", as that term is defined in Sec 2.11 of the Illinois Securities Law of 1953 [815 ILCS 5] (the Act).
5. That Section 8 of the Act provides *inter alia*, that all investment advisers, except those exempt, shall be registered prior to acting and giving investment advice in the State of Illinois.

6. That Respondents failed to file with the Secretary of State an application for registration as investment advisors as required by the Act.
7. Respondents were not registered pursuant to section 8 prior to giving investment advice in the State of Illinois.
8. That Section 12.C of the Act provides, *inter alia*, that it shall be a violation for any person to act as an investment advisor except in accordance with the provisions of the Act.
9. That Section 12. D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
10. By virtue of the foregoing Findings of Fact and Conclusions of Law, Respondents violated Sections 12.C and 12.D of the Act.

#### **VI. PROPOSED RECOMMENDATION AS TO DISPOSITION**

The Hearing Officer recommends that:

1. Respondents Randall J. Sevcik, and Elite Group Financial, LLC. and their partners, officers, directors, agents, employees, affiliates, successors, and assigns, are prohibited from offering or selling securities in or from the State of Illinois until such time as they are registered and in full compliance with the Act and with the requirements of the Illinois Secretary of State's Office, Department of Securities.
2. Respondent, Randall J. Sevcik, and Elite Group Financial, LLC, jointly and severally are fined in the amount of \$5,000.00.

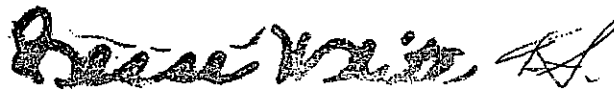
#### **NOW THEREFORE IT IS HEREBY ORDERED THAT:**

1. An Order is entered against Respondents **Randall J. Sevcik**, and Elite Group Financial, LLC. in the form of a **PERMANENT ORDER OF PROHIBITION** against each of them from offering or selling securities in or from the State of Illinois.
2. An Order is entered against Respondents **Randall J. Sevcik**, and Elite Group Financial, LLC. and each of them, imposing a fine of \$5,000.00.

**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offense.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

ENTERED this 5<sup>th</sup> day of August 2015.

A handwritten signature in dark ink, appearing to read "Jesse White", with a stylized flourish at the end.

JESSE WHITE  
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State of Illinois

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